

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting : December 11-12, 2002

Reference No.: 2.6a.(3)
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: Robert Sertich
Chief
Division of Budgets

Ref: **FINANCIAL ALLOCATION FOR STATE TRANSPORTATION IMPROVEMENTS
PROGRAM INTERCITY RAIL PROJECT, RESOLUTION MFP-02-21**

RECOMMENDATION:

In making the decision concerning the allocation(s) for this (these) project(s), the Department recommends that the Commission consider the implications of Executive Order D-64-02 issued by the Governor on November 26, 2002, the special legislative session called by the Governor to address General Fund shortfalls, the uncertainty concerning Federal funding and the monthly financial report.

The following Resolution allocates a total of \$1,960,000 in State Highway Account (SHA) funds, from Budget Act Item 2660-301-0042 of the Budget Act of 2002, for one State Transportation Improvement Program (STIP) Intercity Rail project.

FINANCIAL RESOLUTION:

Resolved That:

A total of \$1,960,000 in SHA funds, programmed in the 2002 State Transportation Improvement Program, be allocated to the Recipients.

The Recipient is committed to providing any required local matching funds and to fully fund implementation of the project in compliance with grant funding requirements and Commission policy. For acquisitions of rail right-of-way properties, the Recipients has performed, with diligence, the process of identification and remediation of any hazardous waste in the right-of-way, easements and properties, in accordance with the Commission's established "Hazardous Waste Identification and Clean-up Policy" (Resolution G-91-2).

Reimbursement of eligible costs is subject to the policies, restrictions and assurances as set forth in the Commission's policy for allocating, monitoring, and auditing local assistance grant projects, and is governed by the terms and conditions for the Fund Transfer Agreement (FTA), and subsequent amendments to the same if required, as executed between the Recipients and the Department.

The Recipient shall provide the Department with quarterly expenditure plans by category including any proposed changes for the balance of all funded project allocations commencing with the first quarter.

In the event that the Recipient, or successor public entity, fails or ceases to utilize the projects' properties for the intended public transit purposes or sell or transfer title of the projects, this Commission shall be entitled to a then present value refund, or credit, at State's option, equivalent to the proportionate funding participation by the State towards the projects. The credit due the Commission in each instance will be measured by the ratio of State and other public funding to that provided from Recipient. That ratio will be applied to the fair market value of the project's property.

The Recipient shall provide the Department with notification of contract award within twelve (12) months from the date of this allocation, and must complete the work to be reimbursed and the actual reimbursement within thirty-six (36) months from award of said contract, unless the Commission authorizes a waiver that extends, if permitted by statute, the period of availability of the funds.

Or, funds allocated for local project development or right of way costs must be expended by the end of the second year following the fiscal year in which the funds were allocated. For local grant projects, the local agency must invoice the Department for these costs no later than 180 days after the fiscal year in which the final expenditure occurred unless the Commission authorizes a waiver that extends, if permitted by statute, the period of availability of the funds.

Attachment(s)

[illegible]